II. AMENDMENT

A. In the Claims

Please amend the claims as set out below.

1. (Original) Apparatus for controlling a loan option, the apparatus comprising:

a computer programmed for receiving information into a memory defining specifications for an option on a loan, the specifications including a trigger for executing the option, evaluating the trigger, and if the trigger occurs, signaling execution of the option.

2. (Currently amended) The apparatus of claim 1, wherein the computer is programmed ~~for~~ so as to execut~~e~~ing the option, if the trigger occurs.

3. (Original) The apparatus of claim 1, wherein the trigger is an interest rate for a lock for a mortgage according to the option.

4. (Original) The apparatus of claim 3, wherein the interest rate trigger is a floor.

5. (Original) The apparatus of claim 3, wherein the interest rate trigger is a ceiling.

6. (Original) The apparatus of claim 3, wherein the interest rate trigger comprises a floor and a ceiling.

7. (Currently amended) A computer program product having computer code stored thereon, which when run on a computer causes the computer to:

receive information into a memory defining specifications for ~~the~~ an option on ~~the~~ a loan, the specifications including a trigger for executing the option, evaluate the trigger, and if the trigger occurs, signal execution of the option.

8. (Currently amended)   Apparatus ~~system~~ controlling execution of an option on a loan, the ~~system~~ apparatus including:

a plurality of computers programmed to cooperate to effectuate an option on a loan, wherein one of the computers is programmed ~~for~~ to carrying out the steps of receiving information into a memory defining specifications for the option on the loan, the specifications including a trigger ~~for~~ to execut~~ing~~ the option, evaluating the trigger, and if the trigger occurs, transmitting a communication signaling execution of the option to another of the computers to control closing of the loan.

9. (Original)   A computer-readable medium tangibly embodying a program of instructions executable by a computer to perform the steps of receiving information into a memory defining specifications for the option on the loan, the specifications including a trigger for executing the option, evaluating the trigger, and if the trigger occurs, signaling execution of the option.

10. (Currently amended)   A computer-aided method ~~for~~ of carrying out an option on a loan, the method including the steps of:

receiving ~~information~~ into a memory specifications defining the option on the loan, the specifications including a trigger ~~for~~ that execut~~es~~ing the option;

evaluating the trigger with a computer accessing further data; and

if the trigger is detected, signaling execution of the option.

11. (Currently amended)   The method of claim 10, wherein the step of receiving is carried out with the trigger being an interest rate for a lock ~~for~~ on a mortgage.

12. (Original)   The method of claim 11, wherein the step of receiving is carried out with the interest rate trigger being a floor.

13. (Original)   The method of claim 11, wherein the step of receiving is carried out with the interest rate trigger being a ceiling.

14. (Original)   The method of claim 11, wherein the step of receiving is carried out with the interest rate trigger being comprised of a floor and a ceiling.

15. (Currently amended)   Apparatus to ~~system for~~ carrying out a loan option, the apparatus ~~system~~ comprising:

a plurality of computers controlled by respective programs, the computers arranged to communicate data structured to identify an option on a loan; and

means for effectuating the option to control closing of the loan.

16. (Currently amended)   The apparatus ~~system~~ of claim 15, further including means for computing a secondary market characteristic related to the option.

17. (Currently amended)   A computer apparatus ~~system for~~ implementing a loan, the apparatus ~~system~~ including:

a database of data relating to mortgage loan applications, the database including an indicator of an application status other than a lock status and a float status; and

a program accessing the database so as to analyze the status information in carrying out closings of some of the loans.

18. (Currently amended)   The computer system of claim 17[[.]], wherein the indicator indicates an option status.

19. (Original)   The computer system of claim 17, wherein the program uses shock analysis on said application status loan applications.

20. (Original)   The computer system of claim 18, wherein said database includes one or both of a floor and a ceiling in association with said option status.

21. (Currently amended)   A template ~~for~~ to associat~~e~~ing data indicating a price lock with data indicating a customer identity, the template comprising:

• a first data field configured to receive an entry of data indicating a future lock-triggering price for a contemplated loan transaction;

• a prompt soliciting a potential customer to enter data indicating a future lock-triggering price in the first field; and

• a second field configured to receive an entry of data indicating the identity of a potential customer contemplating the transaction; wherein

the data fields and prompt are carried out by a computer.

22. (Currently amended)   A data structure comprising:

• data indicating a future lock-triggering price for a contemplated <u>loan</u> transaction; and

•data indicating a potential customer associated with the contemplated <u>loan</u> transaction<u>.</u>

23. (Original)   The data structure of claim 22, recorded on a computer readable medium.

24. (Currently amended)   A data structure comprising:

• data indicating a desired future lock-triggering price for one or more contemplated <u>loan</u> transactions; and

• data indicating the monetary value of the one or more contemplated <u>loan</u> transactions.

25. (Currently amended)   A database recorded on a computer readable medium, the database comprising a multiplicity of records, at least one of the records comprising:

• a desired future lock-triggering price for a contemplated <u>loan</u> transaction; and

• a monetary value representing the scale of the contemplated <u>loan</u> transaction.

26. (Currently amended)   A computer ~~system~~ apparatus programmed to carry out the operations of ~~for~~:

      • eliciting information regarding a potential customer who contemplates carrying out a financial transaction comprising a loan;

      • eliciting a future lock-triggering price contemplated by the customer for the financial transaction;

      • determining whether the lock-triggering price is available; and

      • if and when the lock-triggering price becomes available, communicating that the lock has been triggered.

27. (Original)   The computer system of claim 26, further programmed for evaluating the information and lock-triggering price to determine whether the financial transaction is acceptable to a seller that contemplates participating in the financial transaction.

28. (Currently amended)   A computer ~~system~~ apparatus programmed to carry out the operations of ~~for~~:

      • eliciting information regarding a potential customer who contemplates carrying out a financial transaction that includes a loan;

      • eliciting a future lock-triggering price contemplated by the potential customer for the financial transaction; and

      communicating the future lock-triggering price to a potential supplier of the financial transaction.

29. (Original)   A data structure comprising a database of records, each record constituting data documenting a pending loan application, the data structure defining a pool of pending loan applications, each configured for backing a loan-backed security, wherein at least one application in the pool identifies a future lock-triggering price at which the loan will be locked if the triggering price becomes available.

30. (Currently amended)   A computer system comprising the database of claim 25 and a computer processor programmed to carry out the operations of~~for~~:

> • reading ~~the~~ associated loan lock-triggering prices in the database,

> • searching for prices offered by sellers of the transactions corresponding to the lock-triggering prices,

> • when a price offered by a seller of the transactions corresponding to one or more of the lock-triggering prices is located, updating the records in the database to indicate that the rate is locked.

31. (Currently amended)   A self-executing price lock agreement usable by a buyer and seller to establish the price of a future transaction that has a fluctuating market price, comprising:

> • a provision specifying a future lock-triggering price for ~~the~~ a future transaction comprising a loan; and

> • a provision that the seller automatically agrees to accept the specified future lock-triggering price as the negotiated price of the future transaction, if in the future the market price reaches the future lock triggering price; wherein

said provisions are implemented by a self-executing capability of a computer system.

32. (Currently amended)   A method ~~for~~ of establishing a price lock for a future transaction subject to market price fluctuations, the method comprising:

• establishing, by computer, a future lock-triggering price and a lock price for ~~the~~ a future transaction comprising a loan,~~,~~ wherein the lock price is the same as or different from the future lock-triggering price;

• ~~agreeing~~ establishing, by the computer, that if in the future the market price for the transaction reaches the future lock-triggering price,~~,~~ the price for the transaction shall be the lock price.

33. (Currently amended)   A machine ~~for~~ to establish~~ing~~ a price lock for a future transaction subject to market price fluctuations, the machine comprising:

• means for establishing a future lock-triggering price for ~~the~~ a transaction comprising a loan;

• means for determining in the future whether the market price for the transaction has reached the future lock-triggering price. and

• means responsive to the determining means for communicating that the market price for the transaction has reached the future lock triggering price.

34. (Currently amended)   A machine ~~for~~ to establish~~ing~~ a price lock for a future transaction subject to market price fluctuations. the machine comprising:

• a data field for entering a future lock-triggering price for ~~the~~ a future transaction comprising a loan;

       • a market price monitor programmed for determining in the future whether the market price for the transaction has reached the future lock-triggering price. and

       • an output for communicating data indicating that the market price for the transaction has reached the future lock-triggering price.

       35. (Currently amended)   A method ~~for~~ of implementing a future rate lock for a financial transaction that has a market rate, the method comprising:

       • providing a digital computer apparatus comprising a processor for receiving input data, processing the input data to produce output data, and outputting the output data; a memory operatively connected to the processor for storing and retrieving machine readable data input to and output from the processor; and a program operatively connected to the processor to ~~fonn~~ form circuitry in the processor for controlling the processor to receive the input data and to produce and store in the memory the output data;

       • inputting data to the processor identifying the customer and a proposed future triggering rate of a loan which the customer proposes to lock in if the market rate reaches the proposed triggering rate;

       • inputting data to the processor identifying the current market rate at which the financial transaction is being undertaken;

       • comparing with the processor the proposed future triggering rate to the current market rate; and

• if the current market rate reaches the future triggering rate, the processor generating as output data in the memory a record indicating that the proposed future triggering rate has been locked.

36. (Currently amended)   A method for of calculating risk exposure resulting from accepting a portfolio of future rate locks for financial transactions triggered by the market reaching a predetermined trigger rate, the method comprising:

• providing a digital computer apparatus comprising a processor for receiving input data, processing the input data to produce output data, and outputting the output data; a memory operatively connected to the processor for storing and retrieving machine readable data input to and output from the processor; and a program operatively connected to the processor to form form circuitry in the processor for controlling the processor to receive the input data and to produce and store in the memory the output data;

• inputting to the processor the gross volume of loans in a portfolio locked in at a particular lock rate; inputting to the processor a pull through rate for the portfolio;

• computing with the processor the product of the gross volume of loans and the pull through rate, thus determining the estimated net volume of loans that will be closed at the particular lock rate; and

• outputting to the memory the estimated net volume of loans that will be closed at the particular lock rate.

37. (Currently amended)   A method for of hedging the risk exposure resulting from accepting a portfolio of future rate locks for financial transactions triggered by the market reaching a predetermined trigger rate, the method comprising:

• providing a digital computer apparatus comprising a processor for receiving input data, processing the input data to produce output data, and outputting the output data; a memory operatively connected to the processor for storing and retrieving machine readable data input to and output from the processor; and a program operatively connected to the processor to form circuitry in the processor for controlling the processor to receive the input data and to produce and store in the memory the output data;

• inputting to the processor the estimated net volume of loans in a portfolio that will be closed at a particular lock rate;

• inputting to the processor the volume of loans that are fully hedged;

• computing with the processor the difference between the net volume of loans that will be closed and the volume of loans that are fully hedged, producing as output data the amount of hedging transactions to properly hedge the portfolio; and

• storing the output data in the memory.

38. (Currently amended)   A computer-aided method ~~for~~ of producing an asset-backed security backed by a multiplicity of loans, the loans being defined by agreements between a multiplicity of borrowers and at least one loan provider, the method comprising:

A.   storing in a computer memory a data structure recording a multiplicity of loans undertaken by a multiplicity of borrowers and at least one loan provider, the data structure including for at least one loan data corresponding to an automatic lock-triggering price agreed to govern the price of the loan if a defined market price reaches the lock-triggering price under the terms of the loan;

B.   updating the data structure to identify closed loans;

C.   identifying a set of multiple closed loans recorded in the data structure that are qualified to back a loan-backed security; and

D.   forming a loan-backed security by preparing documentation operatively associating the set of multiple loans with the security as the backing for the security.

39. (Original)   The method of claim 38, further comprising comparing data in the data structure relating to the lock-triggering prices of loans to at least one market price, to determine for each loan being compared whether the market price has reached a lock triggering price under the terms of the loan, thereby locking the loan.

40. (Original)   The method of claim 38, further comprising entering data in the data structure recording which loans in the data structure are locked.

41. (Original)   The method of claim 38, further comprising selling the security to a buyer.

42. (Original)   The method of claim 38, wherein the set of loans identified includes at least one loan subject to an automatic lock-triggering price.

43. (Original)   The method of claim 38, wherein the set of loans identified includes at least one loan closed at an automatic lock-triggering price of the loan.

44. (Currently amended)   A computer-aided method ~~for~~ of producing an asset-backed security backed by a multiplicity of loans, the loans being defined by agreements between a multiplicity of borrowers and at least one loan provider, the method comprising:

A.   storing in a computer memory a data structure recording a multiplicity of loans undertaken by a multiplicity of borrowers and at least one loan provider, at least one the loan having an automatic lock-triggering price agreed to govern the price of the loan if a defined market price reaches the lock-triggering price under the terms of the loan;

B.   updating the data structure to identify closed loans;

C.   identifying a set of multiple closed loans recorded in the data structure that are qualified to back a loan-backed security; and

D.   forming a loan-backed security by preparing documentation operatively associating the set of multiple loans with the security as the backing for the security.

45. (Currently amended)   A computer-aided method ~~for~~ of producing an asset-backed security backed by a multiplicity of loans, the loans being defined by agreements between a multiplicity of borrowers and at least one loan provider, the method comprising:

A.   storing in a computer memory a data structure recording a multiplicity of loans undertaken by a multiplicity of borrowers and at least one loan provider, at least one the loan having an automatic lock-triggering price agreed to govern the price of the loan if a defined market price reaches the lock-triggering price under the terms of the loan;

B.   updating the data structure to identify closed loans;

C.   identifying a set of multiple closed loans recorded in the data structure that are qualified to back a loan-backed security, wherein the set of loans includes at least one loan closed at a locked rate; and

   D. forming a loan-backed security by preparing documentation operatively

associating the set of multiple loans with the security as the backing for the security.